



Attorney General  
STATE CAPITOL  
Phoenix, Arizona 85007

Robert R. Corbin

November 28, 1979

## LAW LIBRARY ARIZONA ATTORNEY GENERAL

The Honorable Clark R. Dierks  
Arizona State Treasurer  
West Wing, State Capitol  
Phoenix, AZ 85007

Re: I79-288 (R79-159)

Dear Mr. Dierks:

In your letter of May 18, 1979, you asked what disposition should be made of the assets distributable to unknown shareholders upon the complete dissolution of an Arizona corporation. You have indicated that your office has received a sum of money from a dissolved corporation which is the amount of a liquidation distribution allocable to shareholders whom the dissolving corporation is unable to locate, but that there appears to be a conflict between two pertinent statutes as to the proper manner of processing this money.

A.R.S. § 10-104 provides:

Upon the voluntary or involuntary dissolution of a corporation the portion of the assets distributable to a creditor or shareholder who is unknown or cannot be found, or who is under disability and there is no person legally competent to receive such distributive portion, shall be reduced to cash and deposited with the state treasurer and shall be paid over to such creditor or shareholder or to its legal representative upon proof satisfactory to the state treasurer of its right thereto.

This does not mean, however, that your office must hold the undistributed assets indefinitely.

Arizona has enacted the Uniform Disposition of Unclaimed property Act which provides a comprehensive statutory scheme governing the disposition of property which is unclaimed by the owner after a specified period of time. A.R.S. §§ 44-351 et seq. A.R.S. § 44-356 provides:

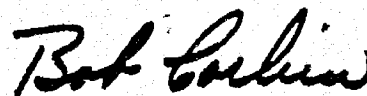
All intangible personal property distributable in the course of a voluntary dissolution of a business association, banking organization or financial organization organized under the laws of or created in this state which is unclaimed by the owner within two years after the date for final distribution is presumed abandoned. (Emphasis added.)

A "business association" is defined by the Act as "any corporation other than a public corporation, joint stock company, business trust, partnership, or any association for business purposes of two or more individuals." A.R.S. § 44-351.2.1/ The undistributed assets allocable to its unknown shareholders may be presumed abandoned under A.R.S. § 44-356 if unclaimed after two years. If, on the other hand, the corporation is not within the statutory definition of a "business association", the assets distributable to its unknown shareholders under the circumstances here present, must be held by your office for seven years pursuant to A.R.S. § 44-358.2/

We also refer you to A.R.S. § 44-361 for the reporting requirements you must fulfill once the property has been presumed abandoned.

If we can be of further assistance, please let us know.

Sincerely,



BOB CORBIN  
Attorney General

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1. In this situation, we do not have the facts needed to determine whether the dissolved corporation is a "business association".

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2. A.R.S. § 44-358 provides:

All personal property, tangible or intangible, held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than seven years is presumed abandoned.

Although it appears that the funds which you hold may be governed by both A.R.S. §§ 44-356 and 44-358, the apparent conflict is resolved by applying the general rule of statutory construction that the specific statute (governing abandonment of corporate dissolution assets which you are required to hold pursuant to A.R.S. § 10-104) rather than the general provision (governing abandonment of all personal property held by public officials and entities) controls in this situation. Peabody Coal Co. v. Navajo County, 117 Ariz. 335, 572 P.2d 797 (1977).